

MEMORANDUM

TO: Mayor Craig Brown and Members of Council

CC: City Manager Office, Executive Leadership Team, City Attorney Office

FROM: Sally Bakko, Director of Policy and Governmental Relations

DATE: October 14, 2022

RE: Legislative Report: Austin and Washington Updates

Please find below updates on legislative activities in Austin and Washington. (*To access links below, control+click on link.*)

Gulf Coast Protection District (GCPD) Update

On Thursday, October 13th, I joined Gulf Coast Protection District Board President Mayor Michel Bechtel, GCPD Executive Director Nicole Sunstrum, and US Army Corps of Engineers (USACE) Galveston District staff in a [roundtable discussion](#) with U.S. Senator John Cornyn on the importance of the Coastal Texas Study storm surge protection system project and progress to date. Other participants in the roundtable discussion included State Representative Dennis Paul, Seabrook Mayor Thom Kolupski, Dr. Kelly Burks-Copes and Michael Braden with USACE-Galveston District, and Chris Witte, Texas Chemical Council executive board member. Meanwhile, some updates:

- Water Resources Development Act (WRDA) of 2022, providing authorization for the Coastal Texas Study project, is attached via an amendment to the National Defense Authorization Act (NDAA).
- NDAA is one of two must-pass bills that can ensure WRDA 2022 reaching the President's desk by the end of the year and thus providing authorization for the Coastal Texas project.
- The other must-pass bill is the omnibus appropriations bill necessary to continue funding for federal agencies until the end of FY 2023 on September 30, 2023. A continuing resolution providing temporary funding until omnibus legislation agreements are reached expires on December 16th.
- USACE-Galveston District is asking for \$100/first year and \$600/second year to get the staffing structure up and running for the Coastal Texas project and begin pre-construction engineering and design (PED) as soon as possible.
- State Rep. Dennis Paul re-committed to press the Legislature for the additional \$400-\$500 million needed over the next biennium for the non-federal share to match the Sabine to Galveston Bay projects in Orange County and Jefferson County as well as initial funds required for the Coastal Texas project.
- Senator Marco Rubio (R-FL) released a [supplemental request](#) for Hurricane Ian disaster recovery aid to Florida *that could be an opportunity* to seek the funds USACE Galveston District is requesting for the first two years of the Texas Coastal project ([Rubio backs \\$33 billion Florida hurricane aid supplemental - Roll Call](#)).

Austin Update

FY 2022 Flood Mitigation Assistance Grant Cycle Open, Applications Due December 2

The Texas Water Development Board (TWDB) is now accepting applications for Fiscal Year 2022 Flood Mitigation Assistance (FMA) grants. Applications are due to the TWDB by **December 2**. A total of \$800 million in federal funding is available nationwide for flood mitigation planning, project scoping, and project funding. The [Notice of Funding Opportunity](#) lists the priorities for this funding cycle and can be viewed on the [TWDB website](#), along with information regarding how to apply through FEMA GO.

Pablo Vegas, New President and CEO of ERCOT, Highlights Grid Updates and Priorities

The Electric Reliability Council of Texas (ERCOT) held an [introductory news conference](#) this week with new ERCOT CEO Pablo Vegas and Public Utilities Commission Chairman Peter Lake. Both officials recognized a priority task ahead will be to restore trust in the reliability of the state's power grid system. Meanwhile, ERCOT is under [Sunset Review](#) which will be addressed during the 88th Texas Legislature convening in January 2023.

\$1.1 Billion Monthly Sales Tax Revenue Distributions to Local Governments

This week Comptroller Glenn Hager [announced monthly sales tax distributions](#) of \$1.1 billion to local governments. For cities, the October 2022 allocations total \$675.6 million, a 15.7 percent increase. Overall, total distributions are 17.4 percent

Comment Period Open for Local Sales Tax Sourcing and Broadband Development Office Rules

Texas Comptroller Glenn Hegar released [re-proposed local sales tax sourcing rule changes](#) and will hold a public hearing on Monday, October 17, 2022. Written comments on the revised rules are due October 23 and may be submitted to Jennifer Burleson, Director, Tax Policy Division, P.O. Box 13528, Austin, Texas 78711-3528 or to tp.rule.comments@cpa.texas.gov. The comptroller also released proposed rules governing the Broadband Development Office. The proposed rules can be found [here](#). Comments on the rules are due October 23 and must be submitted to Greg Conte, Director, Broadband Development Office, at broadband@cpa.texas.gov or at P.O. Box 13528, Austin, Texas 78711-3528.

Texas Legislature – Interim Charge Committee Hearings

Texas House Committee on Natural Resources Hearing on October 18th

The Committee will meet at 10:00 am on Tuesday, October 18th, to hear invited and public testimony regarding the feasibility of desalination as a new and/or alternative water source for the state Texas.

Texas House Committee on Criminal Jurisprudence Hearing on October 21st

The Committee will meet at 10:00 am on Tuesday, October 18th, to hear invited and public testimony on the following interim charges:

- Study Texas' reentry and integration programs and make recommendations for reducing employment barriers for certain people with a criminal record. Review the length of time certain criminal offenses remain on a defendant's record and consider the impact of expanding the offenses that qualify for an order of non-disclosure. Evaluate the financial and administrative barriers in the petitioning process for record-clearing relief.
- Study the availability of victim services, including community-based trauma recovery, housing and relocation assistance, employment protections, and other services that help victims recover and stay safe following a violent crime. The study should include an evaluation of the processes for nongovernmental organizations to apply for and receive victim services grant funding. Make recommendations for streamlining grant administration and improving access to community-based services in areas with the highest rates of crime and for victims of violent crimes.

Washington Update

President Signs Bill Increasing Threshold for Disaster Small Projects

The President [signed H.R. 5641](#), the *Small Project Efficient and Effective Disaster (SPEED) Recovery Act*, into law. Sponsored by Representatives Sam Graves (R-MO) and Peter DeFazio (D-OR), the [legislation](#) updates the threshold for what the Federal Emergency Management Agency (FEMA) deems a "small project" for communities seeking disaster assistance. By increasing the threshold to \$1 million, more projects will be allowed to proceed under simplified procedures for response and recovery grant programs. The threshold had not kept pace with inflation and modern construction costs, causing a larger percentage of projects to fall outside the scope of "small project."

National Flood Insurance Program (NFIP) Update

NFIP reauthorization expires with the continuing resolution (CR) that funds federal agencies until December 16th. Congressional appropriators must negotiate budget terms for the full-year FY 2023 omnibus appropriations bill or pass a second CR to avoid a government shutdown. While continuing NFIP authorization will likely be included in the omnibus appropriations, no changes to the program are anticipated. Senator Marco Rubio's \$33 billion supplemental request would reauthorize NFIP (no changes) through September 30, 2023.

Meanwhile, Coalition for Sustainable Flood Insurance (CSFI) representatives met with FEMA staff and Congressional staff during a visit to Washington, DC on September 21st. CSFI representatives received positive feedback on the recently released white paper evaluation and findings on Risk Rating 2.0 impacts on NFIP premium affordability. As a reminder, the following is a link to the [white paper and summary](#).

Some key updates from the CSFI Washington visits:

- CSFI meeting with FEMA
 - Agreed to prepare new FAQs for policyholders with CSFI.
 - Agreed to arrange meeting between CSFI, FEMA's policy team on affordability proposal language.
- CSFI met with staff of Senator Tim Scott (R-SC). Senator Scott, currently a member of the Senate Banking, Housing & Urban Affairs Committee who is supportive of addressing CSFI concerns,

would likely become chairman if Republicans gain a majority in the Senate after midterm elections.

- Senator Bill Cassidy (R-LA) is preparing a possible amendment to force FEMA's transparency, informed by needs identified by white paper.
- Rep. Troy Carter (R-LA) met with FEMA to reiterate CSFI's concerns.

Navigating Federal Transportation Programs and New Technical Assistance

The U.S. Department of Transportation launched a new tool to assist cities with navigating the competitive grant programs created by the Infrastructure Investment and Jobs Act (Bipartisan Infrastructure Bill). The online [USDOT Navigator](#) launched this summer to help first-time applicants, as well as returning contenders identify existing technical assistance resources from across the department. The most popular USDOT Navigator web pages include:

1. [Federal Tools to Determine Disadvantaged Community Status](#) – Provides links to tools that can be used to validate disadvantaged community status, a priority with many USDOT grants.
2. [Understanding Non-Federal Match Requirements](#) – Provides general information to better understand what can be considered as non-federal match resources and links to specific programs that provide flexibility or waivers to match requirements for some communities.
3. [Overview of Funding and Financing at USDOT](#) – Useful primer on formula funds, discretionary funding, and innovative finance that best fit the community and project.
4. [Bipartisan Infrastructure Law Funding Opportunities](#) – Useful USDOT resources, including a list of upcoming discretionary grant funding opportunities.
5. [Is Federal Funding the Right Fit for My Organization?](#) – A tool for identifying what federal requirements and regulations come with funding.

USDOT will also be launching several new technical assistance programs, visit the [Thriving Communities webpage](#) to learn more on upcoming webinars or sign up for updates.

NLC / US Conference of Mayors Sponsor “Local Infrastructure Hub” Website

The National League of Cities, US Conference of Mayors and other groups are sponsoring The [Local Infrastructure Hub](#), a website designed to help city officials navigate the funding programs made available through the federal Infrastructure Investment and Jobs Act (IIJA).

- October 25, 2022 – Revolutionizing Transportation: The Strengthening Mobility and Revolutionizing Transportation (SMART) Program [webinar](#).

Reports of Interest

- [Meeting Demand for State and Local Public Finance Jobs](#)
Government Finance Officers Association
- [2022 Deloitte-NASCIO Cybersecurity Study](#)
Deloitte/National Association of State Chief Information Officers
- [The municipal bond markets strong fundamentals could prevent a repeat of 2008](#)
Fortune Magazine - 10/13/2022
- [Four In Five Students Say Their Education Suffered During Lockdown](#)
Forbes Magazine - 10/12/2022
- [Republicans are Gearing Up for Aggressive ARPA Oversight if They Take Back the House](#)
Route Fifty - 10/7/2022